



General Assembly

February Session, 2010

Raised Bill No. 178

LCO No. 864

00864_____CE_

Referred to Committee on Commerce

Introduced by:
(CE)

AN ACT CONCERNING ECONOMIC INDICATORS IN ENERGY DECISIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (d) of section 16-245m of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2010*):

4 (d) (1) The Energy Conservation Management Board shall advise
5 and assist the electric distribution companies in the development and
6 implementation of a comprehensive plan, which plan shall be
7 approved by the Department of Public Utility Control, to implement
8 cost-effective energy conservation programs and market
9 transformation initiatives. Each program contained in the plan shall be
10 reviewed by the electric distribution company and either accepted or
11 rejected by the Energy Conservation Management Board prior to
12 submission to the department for approval. The Energy Conservation
13 Management Board shall, as part of its review, examine opportunities
14 to offer joint programs providing similar efficiency measures that save
15 more than one fuel resource or otherwise to coordinate programs
16 targeted at saving more than one fuel resource. Any costs for joint

17 programs shall be allocated equitably among the conservation
18 programs. The Energy Conservation Management Board shall give
19 preference to projects that maximize the reduction of federally
20 mandated congestion charges. The Department of Public Utility
21 Control shall, in an uncontested proceeding during which the
22 department may hold a public hearing, approve, modify or reject the
23 comprehensive plan prepared pursuant to this subsection. In the
24 course of approving, modifying or rejecting the plan, the department
25 shall consider the economic impact of proposed projects identified in
26 the plan.

27 (2) There shall be a joint committee of the Energy Conservation
28 Management Board and the Renewable Energy Investments Board.
29 The board and the advisory committee shall each appoint members to
30 such joint committee. The joint committee shall examine opportunities
31 to coordinate the programs and activities funded by the Renewable
32 Energy Investment Fund pursuant to section 16-245n, as amended by
33 this act, with the programs and activities contained in the plan
34 developed under this subsection to reduce the long-term cost,
35 environmental impacts and security risks of energy in the state. In
36 conducting such examination, the joint committee shall consider the
37 impact of such programs and activities on the state's economy. Such
38 joint committee shall hold its first meeting on or before August 1, 2005.

39 (3) Programs included in the plan developed under subdivision (1)
40 of this subsection shall be screened through cost-effectiveness testing
41 which compares the value and payback period of program benefits to
42 program costs to ensure that programs are designed to obtain energy
43 savings and system benefits, including mitigation of federally
44 mandated congestion charges, whose value is greater than the costs of
45 the programs. Cost-effectiveness testing shall utilize available
46 information obtained from real-time monitoring systems to ensure
47 accurate validation and verification of energy use. Such testing shall
48 include an analysis of the effects of investments on increasing the
49 state's load factor. Program cost-effectiveness shall be reviewed

50 annually, or otherwise as is practicable. If a program is determined to
51 fail the cost-effectiveness test as part of the review process, it shall
52 either be modified to meet the test or shall be terminated. On or before
53 March 1, 2005, and on or before March first annually thereafter, the
54 board shall provide a report, in accordance with the provisions of
55 section 11-4a, to the joint standing committees of the General
56 Assembly having cognizance of matters relating to energy and the
57 environment (A) that documents expenditures and fund balances and
58 evaluates the cost-effectiveness of such programs conducted in the
59 preceding year, and (B) that documents the extent to and manner in
60 which the programs of such board collaborated and cooperated with
61 programs, established under section 7-233y, of municipal electric
62 energy cooperatives. To maximize the reduction of federally mandated
63 congestion charges, programs in the plan may allow for
64 disproportionate allocations between the amount of contributions to
65 the Energy Conservation and Load Management Funds by a certain
66 rate class and the programs that benefit such a rate class. Before
67 conducting such evaluation, the board shall consult with the
68 Renewable Energy Investments Board. The report shall include a
69 description of the activities undertaken during the reporting period
70 jointly or in collaboration with the Renewable Energy Investment
71 Fund established pursuant to subsection (c) of section 16-245n, as
72 amended by this act.

73 (4) Programs included in the plan developed under subdivision (1)
74 of this subsection may include, but not be limited to: (A) Conservation
75 and load management programs, including programs that benefit low-
76 income individuals; (B) research, development and commercialization
77 of products or processes which are more energy-efficient than those
78 generally available; (C) development of markets for such products and
79 processes; (D) support for energy use assessment, real-time monitoring
80 systems, engineering studies and services related to new construction
81 or major building renovation; (E) the design, manufacture,
82 commercialization and purchase of energy-efficient appliances and
83 heating, air conditioning and lighting devices; (F) program planning

84 and evaluation; (G) indoor air quality programs relating to energy
 85 conservation; (H) joint fuel conservation initiatives programs targeted
 86 at reducing consumption of more than one fuel resource; (I) public
 87 education regarding conservation; and (J) the demand-side technology
 88 programs recommended by the procurement plan approved by the
 89 Department of Public Utility Control pursuant to section 16a-3a. Such
 90 support may be by direct funding, manufacturers' rebates, sale price
 91 and loan subsidies, leases and promotional and educational activities.
 92 The plan shall also provide for expenditures by the Energy
 93 Conservation Management Board for the retention of expert
 94 consultants and reasonable administrative costs provided such
 95 consultants shall not be employed by, or have any contractual
 96 relationship with, an electric distribution company. Such costs shall
 97 not exceed five per cent of the total revenue collected from the
 98 assessment.

99 Sec. 2. Subsection (d) of section 16-245n of the general statutes is
 100 repealed and the following is substituted in lieu thereof (*Effective July*
 101 *1, 2010*):

102 (d) There is hereby created a Renewable Energy Investments Board
 103 to act on matters related to the Renewable Energy Investment Fund,
 104 including, but not limited to, development of a comprehensive plan
 105 and expenditure of funds. The Renewable Energy Investments Board
 106 shall, in such plan, give preference to projects that maximize the
 107 reduction of federally mandated congestion charges. The Renewable
 108 Energy Investments Board shall make a draft of the comprehensive
 109 plan available for public comment for not less than thirty days. The
 110 board shall conduct three public hearings in three different regions of
 111 the state on the draft comprehensive plan and shall include a
 112 summarization of all public comments received at said public hearings
 113 in the final comprehensive plan approved by the board. The board
 114 shall provide a copy of the comprehensive plan, in accordance with the
 115 provisions of section 11-4a, to the joint standing committees of the
 116 General Assembly having cognizance of matters relating to energy and

117 commerce. The Department of Public Utility Control shall, in an
118 uncontested proceeding, during which the department may hold a
119 public hearing, approve, modify or reject the comprehensive plan
120 prepared pursuant to this subsection. In the course of approving,
121 modifying or rejecting the plan, the department shall consider the
122 economic impact of proposed projects identified in the plan.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2010	16-245m(d)
Sec. 2	July 1, 2010	16-245n(d)

Section 1	July 1, 2010	16-245m(d)
Sec. 2	July 1, 2010	16-245n(d)

Statement of Purpose:

To encourage the consideration of the impact of certain energy investments on the state's economy.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]